

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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SENATE BILL 522
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Short Title: Low-Perf. Schools/Stand. Student Conduct.

(Public)

Sponsors:

Referred to:

April 3, 2019

1 A BILL TO BE ENTITLED
2 AN ACT TO MAKE CLARIFYING CHANGES TO TEACHER LICENSURE LAWS, TO
3 ALIGN THE SELECTION OF INNOVATIVE SCHOOLS WITH THOSE IDENTIFIED
4 BY THE STATE BOARD OF EDUCATION FOR COMPREHENSIVE SUPPORT AND
5 IMPROVEMENT, TO EXPAND OPTIONS FOR THE INNOVATIVE SCHOOL
6 DISTRICT TO REQUIRE LOCAL BOARDS OF EDUCATION TO INFORM BOARDS
7 OF COUNTY COMMISSIONERS OF ACADEMIC PROGRESS ANNUALLY, AND TO
8 REQUIRE FURTHER STUDY OF REFORMS FOR ASSISTANCE TO LOW-
9 PERFORMING SCHOOLS.

10 The General Assembly of North Carolina enacts:

11 **SECTION 1.** Article 7A of Chapter 115C of the General Statutes reads as rewritten:

12 "Article 7A.

13 "North Carolina Innovative School District and Innovation Zones.

14 **§ 115C-75.5. Definitions.**

15 The following definitions apply in this Article:

- 16 (1) Innovative school. – A qualifying school selected by the State Board of
17 Education under the supervision of the North Carolina Innovative School
18 District.
- 19 (2) Reserved.
- 20 (3) Innovative school operator or IS operator. – An entity selected by the State
21 Board of Education upon the recommendation of the ISD Superintendent to
22 operate an innovative school. ~~Except as otherwise provided in this Article, the~~
23 ~~Department of Public Instruction may not be selected as an IS operator.~~
- 24 (4) ISD Superintendent. – The superintendent of the ISD appointed by the
25 Superintendent of Public Instruction in accordance with G.S. 115C-75.6.
- 26 (4a) North Carolina Innovative School District or ISD. – The statewide school unit
27 established pursuant to this Article.
- 28 (5) Qualifying school. – ~~A low performing school, as defined in~~
29 ~~G.S. 115C-105.37, that meets one of the following criteria:~~
- 30 a. ~~The school earned an overall school performance score in the lowest~~
31 ~~five percent (5%) of all schools in the prior school year that meet all~~
32 ~~of the following requirements:~~



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- 1 1. The school includes all or part of grades kindergarten through
 2 fifth.
 3 2. The school did not exceed growth in at least one of the prior
 4 three school years and did not meet growth in at least one of
 5 the prior three school years.
 6 3. One of the models established in G.S. 115C-105.37B for
 7 continually low performing schools had not been adopted for
 8 that school for the immediately prior school year.

- 9 b. The school received a school performance score in the lowest ten
 10 percent (10%) of all schools that include all or part of grades
 11 kindergarten through fifth in the prior school year and has been
 12 designated by the local board of education for consideration by the
 13 State Board of Education as an innovative school.

14 A school that is a Title I school in the lowest-performing five percent (5%) of
 15 school performance grades of all Title I schools. For the purposes of this
 16 subdivision, a Title I school is a school that (i) is governed by a local board of
 17 education and (ii) receives funds under Part A of Title I of the Elementary and
 18 Secondary Education Act of 1965, as amended.

19 ...

20 **"§ 115C-75.7. Selection of innovative schools.**

21 (a) State Board Selection. – The State Board of Education is authorized to select, upon
 22 the recommendation of the ISD Superintendent, no more than five qualifying elementary schools
 23 to transfer to the ISD as innovative schools. The five qualifying schools selected for inclusion in
 24 the ISD should represent geographic diversity, including urban and rural schools. The State
 25 Board of Education shall select no more than one qualifying school per local school
 26 administrative unit, unless the local board of education consents. shall only select schools for
 27 transfer to the ISD in accordance with this section.

28 (b) Selection-Evaluation Process. – The selection of qualifying innovative schools shall
 29 be based on an analysis and evaluation of performance over the most recent of qualifying schools
 30 over a three-year period. Prior to recommendation of selection of a qualifying school, the ISD
 31 Superintendent shall conduct an evaluation of the school to determine the factors contributing to
 32 the school's performance and shall confer with the school principal, local board of education
 33 members, the local school superintendent, and the local board of county commissioners to share
 34 the findings of the evaluation. The school selection process shall also include a public hearing to
 35 allow for parent and community input. The ISD Superintendent shall evaluate and identify the
 36 qualifying schools to recommend for selection as prospective innovative schools no later than
 37 October 15 prior to the initial school year in which the school may operate as an innovative
 38 school and shall notify the local boards of education where prospective innovative schools are
 39 located by that date. The State Board of Education shall select the prospective innovative schools
 40 no later than December 15; period as follows:

- 41 (1) Qualifying list. – In the first school year after a school has been identified as
 42 a qualifying school, the school shall be placed on the ISD qualifying list. By
 43 November 15, the ISD Superintendent shall notify the superintendent and
 44 local board of education of that school's status and provide that school's
 45 performance data, considerations for improvement, and any additional
 46 information deemed necessary by the ISD Superintendent. The local board of
 47 education shall notify parents of students enrolled in the qualifying school by
 48 electronic mail or the parents' preferred method of written communication of
 49 (i) the school's status, (ii) potential impacts of the designation, including
 50 becoming an innovative school, (iii) plans for improvement of the school, and

1 (iv) any additional information deemed necessary by the local board of
2 education.

3 (2) Watch list. – If a school that was on the qualifying list in the prior school year
4 remains a qualifying school in the next school year, the school shall be placed
5 on the ISD watch list. By November 15, the ISD Superintendent shall notify
6 the superintendent and local board of education of that school's status and
7 provide that school's performance data, considerations for improvement, and
8 any additional information deemed necessary by the ISD Superintendent. The
9 local board of education shall notify parents of students enrolled in the
10 qualifying school by electronic mail or the parents' preferred method of
11 written communication of (i) the school's status, (ii) potential impacts of the
12 designation, including becoming an innovative school, (iii) plans for
13 improvement of the school, and (iv) any additional information deemed
14 necessary by the local board of education.

15 (3) Warning list. – If a school that was on the watch list in the prior school year
16 remains a qualifying school in the next school year, the school shall be placed
17 on the ISD warning list. By November 15, the ISD Superintendent shall notify
18 the superintendent and local board of education of that school's status and
19 provide that school's performance data, considerations for improvement, and
20 any additional information deemed necessary by the ISD Superintendent. The
21 local board of education shall do the following:

22 a. Hold a public hearing with a minimum of 10 days' notice that meets
23 the following requirements:

24 1. The local board of education shall provide direct notice of the
25 public hearing to parents of students, employees assigned to
26 that school, and the ISD Superintendent.

27 2. At the public hearing, the local board of education shall share
28 potential impacts of the designation, including becoming an
29 innovative school, plans for improvement of the school, and
30 any additional information deemed necessary by the ISD
31 Superintendent.

32 3. The ISD Superintendent shall be provided the opportunity to
33 present at the public hearing, including information about (i)
34 the ISD selection process, (ii) potential impacts of the
35 designation as an innovative school, (iii) potential resources,
36 strategies, and partners for comprehensive support and
37 improvement that can assist in plans for improvement of the
38 school, and (iv) any additional information deemed necessary
39 by the ISD Superintendent.

40 b. Present information at a regularly scheduled public meeting of the
41 board of commissioners of the county in which the local school
42 administrative unit is located on the school's performance while on an
43 ISD list and efforts by the local board of education to improve the
44 school's performance. The board of commissioners shall provide an
45 opportunity for the presentation and shall notify the board of education
46 of the public meeting at which the presentation shall occur. The local
47 board of education shall provide notice of the date and time of the
48 public meeting at which the presentation will occur to the ISD
49 Superintendent 10 days prior to the meeting and provide the
50 opportunity to the Superintendent to present as part of the presentation
51 at the public meeting.

1 **(b1) Support Process.** – The State Board of Education shall ensure that qualifying schools
2 identified for any ISD list are engaged in strategies in compliance with federal and State law for
3 comprehensive support and improvement. The State Board of Education may establish criteria
4 for the selection of independent turnaround school consultants in a pay-for-performance model
5 to provide direct support for qualifying schools. The ISD Superintendent shall monitor those
6 schools and assist local boards of education in identifying funding, strategies, and partners for
7 comprehensive support and improvement efforts.

8 **(b2) Local Board of Education Action.** – Local boards of education shall identify and
9 engage in strategies in compliance with federal and State law for comprehensive support and
10 improvement of qualifying schools. A local board of education member with an immediate
11 family member, as defined in G.S. 115C-12.2, who is employed by that local board of education
12 and assigned to the qualifying school, shall recuse himself or herself from any actions by the
13 board directly related to that qualifying school.

14 **(c) Local Board Response.** – ~~Upon notification by the ISD Superintendent of selection~~
15 ~~by the State Board of Education of the qualifying school as a prospective innovative school, the~~
16 ~~local board of education shall determine whether to (i) close the selected qualifying school or (ii)~~
17 ~~transfer the school into the ISD. The local board shall not be required to undertake the study~~
18 ~~required by G.S. 115C-72 before closing the school. Before the adoption of a resolution, the local~~
19 ~~board of education shall provide for a public hearing in regard to the proposed transfer or closure,~~
20 ~~at which hearing the public shall be afforded an opportunity to express their views. No later than~~
21 ~~February 1, the local board of education shall adopt a resolution either (i) consenting to transfer~~
22 ~~of the selected qualifying school to the ISD as an innovative school or (ii) closing that school at~~
23 ~~the conclusion of that school year. The State Board of Education may delay the transfer of a~~
24 ~~selected school to the ISD for one year only upon the recommendation of the ISD~~
25 ~~Superintendent.~~
Selection Process. – If a school (i) remains a qualifying school in the school year
26 following the year the school was placed on the ISD warning list and (ii) is one of the lowest five
27 qualifying schools on the ISD warning list, as measured by school performance scores, the school
28 shall be selected by the State Board as an innovative school beginning with the next school year.

29 **(c1) Voluntary Selection.** – If fewer than five schools are selected pursuant to subsection
30 (c) of this section in any given year, a local board of education, upon the recommendation of the
31 ISD Superintendent, may request that the State Board of Education select a qualifying school
32 under the control of that local board as an innovative school, provided that no more than five
33 schools are selected that year in total.

34 **(d) Public Notification.** – The list of ~~qualifying schools on the ISD qualifying, watch, and~~
35 ~~warning lists~~ and selected innovative schools shall be made publically available on a Web site
36 maintained by the ISD.

37 **(e) Waivers for Innovative Schools.** – The ISD Superintendent may request a waiver from
38 the State Board of Education of State Board of Education rules, regulations, policies, and
39 procedures, or the provisions of this Chapter for innovative schools; however, innovative schools
40 shall be required to comply with, at a minimum, the statutory requirements for charter schools as
41 provided in Article 14A of this Chapter. The goal for each waiver shall be improvement of
42 student performance. All innovative schools shall comply with all applicable constitutional and
43 statutory nondiscrimination requirements. Notwithstanding G.S. 115C-105.26, the State Board
44 of Education may grant a requested waiver of State laws or rules for an innovative school
45 pursuant to this subsection, except for a waiver of State laws or rules applicable to children with
46 disabilities and any of the other requirements set forth in this subsection.

47 **"§ 115C-75.8. Selection of IS operators.**

48 **(a)** The State Board of Education may select an IS operator for a ~~prospective-selected~~
49 innovative school by ~~January-December~~ 15 and shall select an IS operator for a ~~prospective~~
50 selected innovative school no later than ~~February-January~~ 15.

1 (b) Upon the recommendation of the ISD Superintendent, the State Board of Education
2 shall only select an entity to contract as an IS operator if that entity demonstrates one of the
3 following:

4 (1) The entity has a record of results in improving performance of ~~persistently~~
5 low-performing schools or improving performance of a substantial number of
6 ~~persistently~~-low-performing students within a school or schools operated by
7 the entity in this State or other states.

8 (2) The entity has a credible and specific plan for dramatically improving student
9 achievement in a low-performing school and provides evidence that the entity,
10 or a contractual affiliate of such an entity, is either currently operating a school
11 or schools in this State that provide students a sound, basic education or
12 demonstrating consistent and substantial growth toward providing students a
13 sound, basic education in the prior three school years.

14 ~~(b1) In the event that no entity demonstrates the qualifications required by subsection (b)~~
15 ~~of this section, the ISD is authorized to act as an IS operator for one academic year and the State~~
16 ~~Board shall select an entity in accordance with subsection (b) of this section to assume~~
17 ~~management beginning with the next academic year. If the State Board has not been able to select~~
18 ~~an entity demonstrating the required qualifications by the third year of management of the school~~
19 ~~by the ISD, the ISD shall remain the operator of the school until the end of the fifth year and shall~~
20 ~~develop a transition plan to return the school to the local school administrative unit.~~

21 (c) The selected IS operator is encouraged to hold public informational sessions and other
22 outreach to the community, ~~prospective-selected~~ innovative school, and local board of education
23 of a ~~prospective-selected~~ innovative school prior to a local board's adoption of the resolution
24 required by G.S. 115C-75.7(e).school.

25 (d) The contract between the State Board of Education and IS operator shall require, as a
26 minimum, that the IS operator meet the same requirements as established for charter schools in
27 the following statutes:

28 (1) G.S. 115C-218.20 (Civil liability and insurance requirements).

29 (2) G.S. 115C-218.25 (Open meetings and public records).

30 (3) G.S. 115C-218.30 (Accountability; reporting requirements to State Board of
31 Education).

32 (4) G.S. 115C-218.50 (Charter school nonsectarian).

33 (5) G.S. 115C-218.55 (Nondiscrimination in charter schools).

34 (6) G.S. 115C-218.60 (Student discipline).

35 (7) G.S. 115C-218.65 (North Carolina School Report Cards).

36 (8) G.S. 115C-218.75 (General operating requirements).

37 (9) G.S. 115C-218.85 (Course of study requirements).

38 **"§ 115C-75.9. Management of innovative schools.**

39 (a) Direct Management by IS Operator. – An innovative school shall be subject to direct
40 management by an IS operator selected by the State Board of Education, upon the
41 recommendation of the ISD Superintendent, for a five-year contract. ~~In the event that temporary~~
42 ~~management is necessary due to contract termination, lack of a qualified IS operator under~~
43 ~~G.S. 115C-75.8(b1), or other unforeseen emergency, the ISD is authorized to act as an IS~~
44 ~~operator.~~

45 (b) Role of IS Operator. – The IS operator shall be authorized to have a direct role in
46 making decisions about school finance, human capital, and curriculum and instruction for the
47 innovative school while developing the leadership capacity in such schools.

48 (c) Assignment to Innovative Schools. – All innovative schools shall remain open to
49 enrollment in the same manner with the same attendance zone as prior to becoming an innovative
50 school. If a local board of education's reassignment of students within the local school
51 administrative unit due to student population changes or openings or closures of other schools

1 impacts the innovative school, the IS operator may appeal to the ISD Superintendent and request
2 a hearing before the State Board of Education regarding the reassignment. Notwithstanding
3 G.S. 115C-366, the State Board of Education shall, after hearing from both the local board of
4 education and IS operator, determine whether the reassignment of students impacting the
5 innovative school may proceed.

6 (d) Facility and Capital Expenditures. – Facility and capital expenditures shall be
7 provided as follows:

- 8 (1) In addition to the transfer of funds as provided in G.S. 115C-75.10, the local
9 board of education shall be responsible for facility and capital expenditures at
10 the qualifying school.
- 11 (2) All IS operators and local boards of education shall enter into an occupancy
12 agreement establishing the terms of occupancy for the IS operator not
13 otherwise addressed in statute. If the parties are unable to reach agreement,
14 either party may petition the State Board of Education to resolve any issues in
15 dispute.
- 16 (3) The IS operator shall have first priority in use of the facility for any purpose
17 related to the operation of the innovative school. The local board of education
18 may allow use of the facility by governmental, charitable, civic, or other
19 organizations for activities within the community and may retain any funds
20 received for such use for any time the IS operator has not provided written
21 notice to the local board of its use of the facility during that time for a purpose
22 related to the operation of the innovative school.

23 For the purposes of this subsection, facility and capital expenditures include routine
24 maintenance and repair, and capital expenditures include building repair and maintenance,
25 furniture, furnishings, and equipment.

26 (e) Transportation. – The local board of education shall provide transportation of all
27 students assigned to the innovative school in the same manner as provided for other schools in
28 the local school administrative unit in that school year.

29 (f) Memorandums of Understanding for Alternate Arrangements. – Notwithstanding this
30 section, the IS operator, in ~~consultation~~collaboration with the ISD Superintendent, may elect to
31 enter into a memorandum of understanding for alternate arrangements with the local board of
32 education to address any of the following:

- 33 (1) Facility and capital expenditures.
- 34 (2) Transportation services.
- 35 (3) Services for Children with Disabilities.

36 If the IS operator elects to use a memorandum of understanding for alternate arrangements,
37 the IS operator and local board of education shall finalize the memorandum of understanding
38 within 30 days of the initial request by the IS operator. If the parties have not completed the
39 memorandum of understanding within 30 days, the State Board of Education shall resolve any
40 issues in dispute.

41 (g) Student Records. – The local board of education shall make available in a timely
42 fashion all student records to the innovative school at no cost for all students of that school.

43 (h) Innovative School Employees. – The IS operator shall select and hire the school
44 principal for an innovative ~~school~~school in collaboration with the ISD Superintendent. Within
45 the limits of the school budget, the IS operator or its designee shall select staff members in
46 accordance with guidance from the ISD Superintendent. Before finalizing staffing
47 recommendations, the IS operator and the ISD Superintendent or the Superintendent's designee
48 shall interview all existing staff members at the qualifying school and review student growth and
49 performance data for those staff members for whom it is available. Notwithstanding Article 21A
50 of this Chapter, the IS operator and the ISD Superintendent shall be permitted to examine
51 personnel files of existing staff members for the qualifying school. The IS operator shall have

1 the authority to decide whether any administrator, teacher, or staff member previously assigned
2 to a qualifying school selected to become an innovative school shall continue as an employee of
3 the innovative school. Any such employees retained shall become employees of the ~~ISD. An~~ ISD,
4 unless the IS operator is another local board of education, in which case the employee may
5 become an employee of that board of education with approval of the ISD Superintendent. Except
6 as otherwise provided in this subsection, an employee hired to work in an innovative school shall
7 be an employee of the ISD, and the employees shall be under the exclusive control of the ISD.
8 All employees of the ISD shall be eligible for enrollment in the Teachers' and State Employees'
9 Retirement System of North Carolina, the State Health Plan, and other benefits available to State
10 employees. The IS operator shall provide funds to the ISD in an amount sufficient to provide
11 salary and benefits for employees of the ISD working in the innovative school based on the terms
12 of employment established by the IS operator. If a teacher at a qualifying school selected to
13 become an innovative school has career status under G.S. 115C-325 prior to employment to teach
14 at that innovative school, the teacher may return with career status to a public school in the local
15 school administrative unit where the innovative school is located upon the end of employment at
16 the innovative school, if an appropriate position is available. If an appropriate position is
17 unavailable, the teacher's name shall be placed on a list of available teachers in accordance with
18 G.S. 115C-325(e)(2).

19 (i) Criminal History Checks. – The State Board of Education shall require applicants for
20 employment with the ISD to be checked for criminal histories using the process provided in
21 G.S. 115C-332. The State Board of Education shall provide the criminal history it receives to the
22 ISD Superintendent and IS operator.

23 (j) Employees of Local Board of Education. – The transfer of a qualifying school shall
24 be deemed a reorganization of the local school administration unit resulting in a reduction in
25 force. If an employee is not given the option to continue as an employee for the innovative school,
26 the local board of education may, in its discretion, do any of the following:

- 27 (1) Continue the employee's employment with the local board of education.
- 28 (2) Dismiss the employee due to a reduction in force as provided in Article 22 of
29 this Chapter.
- 30 (3) Dismiss the employee as otherwise provided in Article 22 of this Chapter.

31 (k) Liability Insurance. – The IS operator shall maintain reasonable amounts and types
32 of liability insurance as established by the State Board of Education. No civil liability shall attach
33 to the State Board of Education, the Department of Public Instruction, the ISD Superintendent,
34 or a local board of education or to any of their members or employees, individually or
35 collectively, for any acts or omissions of the IS operator.

36 (l) School Nutrition Program. – The innovative school shall participate in the National
37 School Lunch Program, as provided in G.S. 115C-264.

38 (m) Cooperation with ISD Superintendent. – The local board of education shall cooperate
39 with the ISD Superintendent in carrying out his or her powers and duties as necessary in
40 accordance with this Chapter.

41 **"§ 115C-75.10. Innovative schools funds.**

42 (a) Funding Allocation Selection. – State and local funding for an innovative school shall
43 be allocated as provided in subsection (b) or subsection (c) of this section. The IS operator shall
44 select one of the allocation methods as the method to be used for the innovative school.

45 (b) Designated Funding. – Funding shall be allocated to the ISD for the innovative school
46 by the State Board of Education and local board of education as follows:

- 47 (1) The State Board of Education shall allocate the following to the ISD for each
48 innovative school:
 - 49 a. An amount equal to the average per pupil allocation for average daily
50 membership from the local school administrative unit allotments in
51 which the innovative school was located for each child attending the

- 1 innovative school except for the allocations for (i) children with
2 disabilities, (ii) children with limited English proficiency, and (iii)
3 transportation. The State Board of Education shall provide the
4 allocation for transportation to the local school administrative unit in
5 which the innovative school is located.
- 6 b. An additional amount for each child attending the innovative school
7 who is a child with disabilities.
- 8 c. An additional amount for children with limited English proficiency
9 attending the innovative school, based on a formula adopted by the
10 State Board of Education.
- 11 (2) The local school administrative unit in which the innovative school is located
12 shall transfer to the ISD for the innovative school an amount equal to the per
13 pupil share of the local current expense fund of the local school administrative
14 unit for the fiscal year. The per pupil share of the local current expense fund
15 shall be transferred to the ISD for the innovative school within 30 days of the
16 receipt of monies into the local current expense fund. The local school
17 administrative unit and ISD may use the process for mediation of differences
18 between the State Board of Education and a charter school provided in
19 G.S. 115C-218.95(d) to resolve differences on calculation and transference of
20 the per pupil share of the local current expense fund. The amount transferred
21 under this subsection that consists of revenue derived from supplemental taxes
22 shall be transferred only to an innovative school located in the tax district for
23 which these taxes are levied and in which the student resides. The local school
24 administrative unit shall also provide the ISD with all of the following
25 information within the 30-day time period provided in this subsection:
- 26 a. The total amount of monies the local school administrative unit has in
27 each of the funds listed in G.S. 115C-426(c).
- 28 b. The student membership numbers used to calculate the per pupil share
29 of the local current expense fund.
- 30 c. How the per pupil share of the local current expense fund was
31 calculated.
- 32 d. Any additional records requested by the ISD from the local school
33 administrative unit in order for the ISD to audit and verify the
34 calculation and transfer of the per pupil share of the local current
35 expense fund.
- 36 (c) Funding Memorandum of Understanding. – The IS operator, in ~~consultation~~
37 collaboration with the ISD Superintendent, may enter into a funding memorandum of
38 understanding with the local board of education of the local school administrative unit where the
39 innovative school is located for all student support and operational services and instructional
40 services to be provided by the local board of education in the same manner and degree as in the
41 prior school year or funding in an amount equivalent to the amount the local board of education
42 would have expended on those services if provided. For the purposes of this subsection, student
43 support and operational services include cafeteria services, custodial services, broadband and
44 utilities, and student information services, and instructional services include alternative
45 education, special education services, test administration services, textbooks, technology, media
46 resources, instructional equipment, and other resources. The IS operator and local board of
47 education shall finalize the funding memorandum of understanding within 30 days of the initial
48 request for the memorandum by the IS operator. If the parties have not completed the funding
49 memorandum of understanding within 30 days, the State Board of Education shall resolve any
50 issues in dispute.

1 (d) The ISD may seek, manage, and expend federal money and grants, State funding,
2 municipal funding, and other funding with the same authority as a local school administrative
3 unit, including decisions related to allocation of State funds among innovative schools, and shall
4 be considered a local school administrative unit for all federal funding purposes.

5 **"§ 115C-75.11. Accountability and governance for innovative schools.**

6 (a) The IS operator shall set clear goals related to higher academic outcomes for students,
7 safe and positive learning environments for children, parent and community engagement, and the
8 efficient and effective use of taxpayer dollars, empower and equip teachers and school leaders to
9 meet the goals, and hold such teachers and school leaders accountable to meet the goals. The IS
10 operator shall apply to the ISD Superintendent for appropriate waivers for the innovative school
11 pursuant to G.S. 115C-75.7(e).

12 (b) ~~The IS operator~~operator, in collaboration with the ISD Superintendent, shall select,
13 approve, or remove the school principal of an innovative school that it is managing in accordance
14 with this Article.

15 (c) The IS operator shall enter into an agreement with the school principal regarding
16 specific goals for the innovative school related to higher academic outcomes for students, safe
17 and positive learning environments for children, parent and community engagement, and the
18 efficient and effective use of taxpayer dollars. The agreement shall be made publicly available
19 on the ISD Web site.

20 (d) An innovative school shall not be included in any State evaluation or performance
21 models used for the local school administrative unit in which the school is located but shall be
22 considered a part of the ISD for all evaluation purposes.

23 **"§ 115C-75.12. Term of supervision for an innovative school.**

24 (a) An innovative school shall remain under the supervision of the ISD for a minimum
25 of five consecutive years through a contract with an IS operator. The following shall apply to the
26 term of a contract with an IS operator of an innovative school:

- 27 (1) Early termination of contract based on performance. – If, during the five-year
28 contract, the innovative school's annual percentage growth does not exceed
29 the average annual percentage growth of other qualifying schools for three
30 consecutive years, the State Board of Education, upon the recommendation of
31 the ISD Superintendent, may terminate the contract at the conclusion of the
32 academic year and select another IS operator in accordance with
33 G.S. 115C-75.8 to assume the remainder of the five-year contract and any
34 occupancy agreements or memorandums of understanding with the local
35 board of education at the beginning of the next academic year.
- 36 (2) Nonrenewal of contract based on performance. – If, by the end of the five-year
37 contract, the innovative school's average annual percentage growth during the
38 term of the contract does not exceed the average annual percentage growth of
39 other qualifying schools during the same term, the State Board of Education
40 shall not renew the contract of the IS operator and develop a transition plan to
41 return the school to the local school administrative unit.
- 42 (3) State Board of Education optional extension of contract for three years. – If,
43 by the end of the five-year contract, the innovative school remains a qualifying
44 school but has exceeded the average annual percentage growth of other
45 qualifying schools and has shown growth over the term of the contract, the
46 State Board of Education, upon the recommendation of the ISD
47 Superintendent in his or her discretion, may continue the contract with the IS
48 operator for an additional three-year term. The ISD Superintendent and IS
49 operator shall engage the school, the school community, and the school's local
50 board of education in developing a transition plan for the school to leave the
51 supervision of the ISD at the conclusion of the three-year extension of the

1 contract. If the State Board of Education does not elect to continue the
2 contract, the State Board of Education may do any of the following:

- 3 a. Select another IS operator for a three-year contract.
- 4 b. Close the school as provided in subdivision (2) of this subsection.
- 5 c. Develop a transition plan to return the school to the local school
6 administrative unit for the next school year.

7 (4) IS operator option to extend contract for three years. – If, by the end of the
8 five-year contract, the innovative school receives a grade of C or higher under
9 G.S. 115C-12(9)c1., the IS operator shall have the option to extend the
10 contract for another three-year term. The ISD Superintendent and IS operator
11 shall engage the school, the school community, and the school's local board
12 of education in developing a transition plan for the school to leave the
13 supervision of the ISD at the conclusion of the three-year extension of the
14 contract. Options at the conclusion of the contract shall include the following:

- 15 a. Conversion to charter. – If, in the development of the transition plan,
16 a local board of education indicates by resolution to the State Board of
17 Education that the local board of education elects to not receive the
18 transfer of the innovative school back to the local school
19 administrative unit, the IS operator may apply to convert the school to
20 a charter school under Article 14A of this Chapter. If a charter is
21 awarded, the charter board of directors may request to use the facility
22 as provided in G.S. 115C-218.35. If the IS operator does not seek
23 conversion to a charter school or fails to receive a charter, the State
24 Board of Education may close the school as provided in subdivision
25 (2) of this subsection.
- 26 b. Alternate as operator or return to local school administrative unit. – If
27 the IS operator does not elect to continue the contract, the State Board
28 of Education may select another IS operator for a three-year contract
29 or may develop a transition plan to return the school to the local school
30 administrative unit for the next school year.

31 (5) Termination of contract on other grounds. – The State Board of Education,
32 upon the recommendation of the ISD Superintendent, may terminate a
33 contract with an IS operator at any time during the contract for financial
34 mismanagement, noncompliance with federal or State laws, failure to comply
35 with the terms of the contract, or evidence of criminal activity. The State
36 Board of Education shall develop a transition plan to return the school to the
37 local school administrative unit. ~~The ISD is authorized to act as a temporary
38 IS operator during the transition period, if necessary.~~

39 (b) An innovative school shall remain under the supervision of the ISD for no more than
40 eight years.

41 (c) The State Board of Education shall make all decisions related to contracts for IS
42 operators no later than May 1, except as provided in subdivision (5) of subsection (a) of this
43 section.

44 **"§ 115C-75.13. Innovation zones.**

45 (a) If a local board of education transfers a qualifying school to the ISD, the local board
46 of education may ask the State Board of Education to be allowed to create an innovation zone (i)
47 for up to three ~~continually~~ low-performing schools within its local school administrative unit or
48 (ii) if the local school administrative unit has more than thirty-five percent (35%) of the schools
49 identified in the unit as low-performing, for some or all of the low-performing schools located in
50 the unit.

1 The State Board of Education shall grant, upon recommendation of the ISD Superintendent,
2 such requests for the creation of an innovation zone. The State Board of Education shall also
3 authorize the local board of education the flexibility to operate the schools within the innovation
4 zone with the same exemptions from statutes and rules as a charter school authorized under
5 Article 14A of this Chapter and with exemptions from local board of education policies as needed
6 to ensure autonomy under the guidance of the innovation zone office for financial, programmatic,
7 staffing, and time allocation decisions.

8 (b) The innovation zone created by a local board of education must include all of the
9 following:

- 10 (1) Development of a clear and specific plan for improving schools within the
11 innovation zone.
- 12 (2) Establishment of an innovation zone office with a leader ~~recommended by~~
13 selected in consultation with the ISD Superintendent to be appointed by the
14 local board of education and approved by the State Board of Education to
15 govern and lead the schools in the innovation zone.
- 16 (3) Attraction of high-quality staff at schools in the innovation zone through the
17 use of incentives, favorable working conditions, and development of
18 partnerships to develop human capital.
- 19 (4) Accountability for those schools based on established benchmarks and goals
20 for student achievement and for support services provided by the local school
21 administrative unit based on metrics established by the innovation zone office
22 for effective and efficient delivery.
- 23 (5) Support for those schools by the innovation zone office to ensure priority in
24 services from the local school administrative unit, pursuit of outside funding,
25 and technical support, including support from external partners.

26 (c) A local board of education may maintain an innovation zone created as provided in
27 subsection (a) for up to five consecutive years. The State Board of Education may terminate the
28 innovation zone as follows:

- 29 (1) Early termination of innovation zone based on performance. – If, during the
30 five-year period, the average of the annual percentage growth of the schools
31 within the innovation zone does not exceed the average annual percentage
32 growth of other ~~continually~~ low-performing schools for three consecutive
33 years, the State Board of Education, upon the recommendation of the ISD
34 Superintendent, may terminate the innovation zone at the conclusion of the
35 academic year.
- 36 (2) Nonrenewal of innovation zone based on performance. – If, by the end of the
37 five-year period, the average annual percentage growth of the schools within
38 the innovation zone over the five-year period does not exceed the average
39 annual percentage growth of other ~~continually~~ low-performing schools during
40 the same term, the State Board of Education shall not permit the local board
41 of education to continue the innovation zone.
- 42 (3) State Board of Education optional extension of innovation zone for three
43 years. – If, by the end of the five-year period, the schools within the innovation
44 zone remain ~~continually~~ low-performing schools but have exceeded the
45 average annual percentage growth of other ~~continually~~ low-performing
46 schools, the State Board of Education, upon the recommendation of the ISD
47 Superintendent in his or her discretion, may allow continuation of the
48 innovation zone for an additional three years.
- 49 (4) Local board of education option to extend innovation zone for three years. –
50 If, by the end of the five-year period, the schools within the innovation zone
51 receive a grade of C or higher under G.S. 115C-12(9)c1., the local board of

1 education shall have the option to extend the innovation zone for another three
2 years.

3 ~~(d) A low-performing school in an innovation zone, created as provided in clause (ii) of~~
4 ~~subsection (a) of this section, shall become an innovative school if that low-performing school~~
5 ~~does not exceed expected growth in the last two years of the five consecutive years in the~~
6 ~~innovation zone."~~

7 **SECTION 2.** G.S. 115C-429(a) reads as rewritten:

8 "(a) Upon receiving the budget from the superintendent and following the public hearing
9 authorized by G.S. 115C-428(b), if one is held, the board of education shall consider the budget,
10 make such changes therein as it deems advisable, and submit the entire budget as approved by
11 the board of education to the board of county commissioners not later than May 15, or such later
12 date as may be fixed by the board of county commissioners. At the time of submission of the
13 budget, the board of education shall also submit to the board of county commissioners in writing
14 the academic performance of the schools in the local school administrative unit, including the
15 school performance grades of each school, any schools identified as low-performing or
16 continually low-performing or included on the Innovative School District qualifying, watch, or
17 warning list, and efforts by the local board of education to improve those identified schools'
18 performance. The local board of education shall present the academic performance information
19 at a public meeting upon the request of the board of commissioners."

20 **SECTION 3.(a)** For the purposes of this section, a qualifying school is as defined
21 by G.S. 115C-75.5(5), as amended by this act. Notwithstanding G.S. 115C-75.7(a), as amended
22 by this act, the State Board of Education shall select the following schools to become innovative
23 schools:

- 24 (1) The lowest scoring qualifying school in the State identified based on the
25 school performance score calculated from data for the 2018-2019 school year
26 to become an innovative school in the 2020-2021 school year.
- 27 (2) The lowest scoring qualifying school in the State identified based on the
28 school performance score calculated from data for the 2019-2020 school year
29 to become an innovative school in the 2021-2022 school year.
- 30 (3) The lowest scoring qualifying school in the State identified based on the
31 school performance score calculated from data for the 2020-2021 school year
32 to become an innovative school in the 2022-2023 school year.

33 **SECTION 3.(b)** The State Board of Education shall select all innovative schools, as
34 required by G.S. 115C-75.7(a), as amended by this act, no earlier than the 2022-2023 school year
35 for inclusion in the Innovative School District beginning with the 2023-2024 school year, unless
36 a local board of education requests selection prior to that year.

37 **SECTION 4.** The State Superintendent of Education and the ISD Superintendent
38 shall jointly study the following and report on any recommendations and suggested legislative
39 changes to the Joint Legislative Education Oversight Committee no later than March 15, 2020:

- 40 (1) Options for innovative schools. – Structure of innovative schools and types of
41 partnerships with IS operators or other entities that provide effective options
42 and ensure flexibility for the Innovative School District (ISD) to best address
43 the needs of innovative schools and students. This recommendation should
44 take into consideration, but is not limited to, factors such as length of time of
45 an innovative school in the ISD, role or relationship of the local board of
46 education with the ISD and innovative school, and types of entities and
47 contract terms that the ISD should use to establish options for selecting the
48 most appropriate entity to serve the innovative school.
- 49 (2) Reform of low-performing school models. – Alignment of requirements in
50 Chapter 115C of the General Statutes for identification and reform of
51 low-performing and continually low-performing schools, including Part 3 of

1 Article 8B of Chapter 115C of the General Statutes, with other reform efforts
2 in State and federal law, to ensure a comprehensive and efficient approach to
3 support and improvement of those schools that does not create redundancies.

4 **SECTION 6.(a)** G.S. 115C-270.15, as amended by Section 1.1 of S.L. 2019-71,
5 reads as rewritten:

6 "**§ 115C-270.15. Examination requirements for initial professional licenses.**~~requirements.~~

7 (a) Examination Score Requirements. – The State Board of Education shall require an
8 applicant for an initial professional license (IPL) or a residency license (RL) to demonstrate the
9 applicant's academic and professional preparation by achieving a prescribed minimum score on
10 a standard examination appropriate and adequate for that purpose. Elementary education (K-6)
11 and special education general curriculum teachers shall also achieve a prescribed minimum score
12 on subtests or standard examinations specific to teaching reading and mathematics.

13 (b) Establishment of Minimum Scores. – The State Board shall adopt rules that establish
14 the minimum scores for any required standard examinations and other measures necessary to
15 assess the qualifications of professional educators as required under this section. For purposes of
16 this section, the State Board shall not be subject to Article 2A of Chapter 150B of the General
17 Statutes. At least 30 days prior to changing any rule adopted under this section, the State Board
18 shall provide written notice to all recognized educator preparation programs and to all local
19 boards of education. The written notice shall include the proposed revised rule. The State Board
20 of Education shall make any required standard ~~initial professional licensure exam~~ examination
21 rigorous and raise the prescribed minimum score as necessary to ensure that each applicant has
22 received high-quality academic and professional preparation to teach effectively.

23 (c) Time Line for Completion of Examinations. – The State Board of Education shall
24 permit an applicant to fulfill any such examination requirement before or during the third year of
25 ~~the IPL, licensure,~~ provided the applicant took the examination at least once during the first year
26 ~~of the license. licensure.~~

27 (d) Monitoring Compliance. – ~~For teachers with an IPL, the~~ The State Board shall direct
28 the Department of Public Instruction to monitor the teachers' compliance with this section
29 ~~throughout the duration of the IPL. section.~~ In the event a teacher is not in compliance with any
30 of the requirements of this section, the Department shall notify the teacher.

31 (e) Conversion to Continuing Professional License. – The State Board shall not convert
32 an IPL or RL to a continuing professional license for a teacher who has not fulfilled the
33 examination requirements of this section."

34 **SECTION 6.(b)** G.S. 115C-270.20(a)(4a), as enacted by Section 2.1 of S.L. 2019-
35 71, reads as rewritten:

36 "(4a) Limited license. – A three-year nonrenewable license issued to an individual
37 who meets the requirements of this subdivision. A limited license shall only
38 be requested by the local board of education currently employing or seeking
39 to employ the individual and shall be used for continued employment only in
40 that local school administrative unit. The State Board shall not require
41 individuals to demonstrate preparation through achieving a prescribed
42 minimum score on a standardized examination for a limited license. To
43 receive a limited license, one of the following shall be met:

44 a. ~~IPL~~ In-state licensee. – Both of the following are met:

45 1. The individual was issued an ~~IPL, IPL or RL,~~ but did not
46 qualify for a CPL under G.S. 115C-270.15(e). failed to fulfill
47 examination requirements under G.S. 115C-270.15 after three
48 years of licensure.

49 2. The local board of education submits to the State Board an
50 affidavit stating that the teacher is currently employed by that
51 local board, is an effective teacher, and will be encouraged to

1 continue to pursue a CPL. The affidavit shall be signed by both
2 the principal and superintendent for the school to which the
3 teacher is currently assigned.

4 b. Out-of-state licensee. – Both of the following are met:

5 1. The individual holds current teacher licensure in another state
6 that is in good standing.

7 2. The local board of education submits to the State Board an
8 affidavit stating that the local board seeks to employ the
9 teacher, that the teacher has been employed as a licensed
10 teacher in another state for at least three years, and that the
11 teacher will be encouraged to pursue an IPL or CPL, as
12 appropriate for that teacher. The affidavit shall be signed by
13 the superintendent for the local board of education seeking to
14 employ the teacher."

15 **SECTION 6.(c).** An individual with a lateral entry license shall be deemed to meet
16 the requirements of G.S. 115C-270.20(a)(4a) if the following criteria are met:

17 (1) The individual would have been issued a continuing professional license but
18 for the failure to fulfill examination requirements set by the State Board of
19 Education.

20 (2) The local board of education submits to the State Board an affidavit stating
21 that the teacher is currently employed by that local board, is an effective
22 teacher, and will be encouraged to continue to pursue a CPL. The affidavit
23 shall be signed by both the principal and superintendent for the school to
24 which the teacher is currently assigned.

25 **SECTION 6.(d)** Section 1.2 of S.L. 2019-71 reads as rewritten:

26 "**SECTION 1.2.** ~~Effective June 30, 2019, Elementary elementary~~ education (K-6) or special
27 education general curriculum teachers with an initial professional ~~license~~ license, lateral entry
28 license, or residency license that is set to expire June 30, 2019, due to the failure to fulfill the
29 licensure examination requirements pursuant to G.S. 115C-270.15, shall be granted an extension
30 until June 30, 2020."

31 **SECTION 6.(e)** Section 1.3 of S.L. 2019-71 reads as rewritten:

32 "**SECTION 1.3.** G.S. 115C-270.15(c), as amended by this act, shall apply to individuals
33 holding an initial professional license on or after the effective date of this act. The State Board
34 shall comply with G.S. 115C-270.15(d), as enacted by this act, beginning with applicants for
35 teacher licensure on or after July 1, 2019."

36 **SECTION 6.(f)** Section 6 of S.L. 2019-71 reads as rewritten:

37 "**SECTION 6.** This act is effective when it becomes law and, except as otherwise provided
38 in this act, applies beginning with ~~applications for teacher licensure submitted on or after the~~
39 eighteenth day following the effective date of this act."

40 **SECTION 6.(g)** This section applies to individuals holding or seeking licensure on
41 or after the effective date of this act.

42 **SECTION 7.** This act is effective when it becomes law. Sections 1 through 4 apply
43 to schools identified beginning with data from the 2018-2019 school year as qualifying schools
44 for the 2019-2020 school year.